

COUNCIL AGENDA: 11-16-04  
ITEM: 8.1e

## Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Ralph G. Tonseth

**SUBJECT:** SEE BELOW

**DATE:** 11/8/04

Approved 

Date 11/8/04

COUNCIL DISTRICT: Citywide

**SUBJECT: APPROVAL OF A MINOR AMENDMENT TO THE AIRPORT MASTER PLAN TO LEASE A 52-ACRE SITE ON THE WEST SIDE OF COLEMAN AVENUE FOR INTERIM AIRPORT RENTAL CAR, EMPLOYEE PARKING, AND CONSTRUCTION STAGING USES**

### RECOMMENDATION

Adoption of a resolution approving a Minor Amendment to the Airport Master Plan for the Norman Y. Mineta San José International Airport to lease a 52-acre site on the west side of Coleman Avenue (former FMC property) for interim Airport rental car, employee parking, and construction staging uses.

### BACKGROUND

The Airport Master Plan for Mineta San José International Airport, adopted by the City Council in June 1997, serves as a long term guide to airport development and includes a program of specific facility improvements to adequately accommodate projected commercial aviation demand by the year 2010. The San José Municipal Code contains a number of provisions regarding implementation of the Airport Master Plan, including requirements for capital project consistency with the adopted Airport Master Plan and formal amendment of the Master Plan to modify or add capital projects to maintain consistency.

Pursuant to City Council actions on May 18 and August 24, 2004, the City has proceeded with the financing and negotiated acquisition of the 75-acre FMC property on the west side of Coleman Avenue adjacent to the Airport. The property consists of four contiguous parcels, the northern three of which (total of 52 acres) would be leased by the City from the San José Financing Authority for interim Airport uses during the ongoing implementation of the Airport Master Plan.

HONORABLE MAYOR AND CITY COUNCIL

11/8/04

**Subject: Airport Master Plan Minor Amendment/Interim Reuse of 52-Acre Site on Coleman Ave.**

Page 2

The attached exhibit identifies the location and conceptual interim use of the subject property. As the lease for, and use of, this property for Airport facilities is not currently identified in the adopted Airport Master Plan, the San José Municipal Code requires approval of a formal amendment to the Master Plan.

## **ANALYSIS**

Chapter 25.02, Part 3, of the Municipal Code requires Council approval of a "minor amendment" to the Airport Master Plan for capital improvements which are not consistent with the projects explicitly identified in the Master Plan but which (a) are consistent with the overall development goals of the Master Plan; (b) would not, in any way, potentially increase the design capacity of Airport facilities to accommodate the projected numbers of passengers or the projected numbers of aircraft operations for any segment of aircraft activity beyond the projections identified in the Master Plan; and (c) would not modify the noise impact boundaries beyond those projected in the Master Plan Environmental Impact Report (EIR). To date, nine minor amendments to the Airport Master Plan, plus one major amendment, have been approved.

The availability of the former FMC property provides significant opportunities to facilitate continued implementation of the Airport Master Plan. A description of the three specific interim uses proposed by the Airport, and the beneficial implications for the Master Plan, is provided below.

### **Interim Construction Staging**

The Airport's severe space constraints and daily operational requirements present logistical problems for construction of Master Plan projects in terms of available locations for construction materials storage/assembly, contractor field offices, and construction worker parking. Adequate sites immediately adjacent to on-Airport project sites are not readily available, and the two sites currently designated for interim construction staging/support (one on a portion of the vacant Airport parcel across Hwy. 101 and one off-Airport in the Guadalupe Gardens along Coleman Avenue) are not the most optimal or sufficient locations to support major Airport construction such as the North Concourse and subsequent components of the Central Terminal and garage projects.

Consequently, the Airport proposes to utilize approximately 8 acres of the former FMC property for interim construction staging. The preferred site is at the southern end of the proposed 52-acre leasehold and includes a vacant 89,000 sq. ft. warehouse suitable for interior material storage and assembly, open paved areas, and an access driveway off Coleman Avenue. The availability of this site for Airport project construction staging would have cost benefits for construction projects, as contractors would not have to procure other sites and/or transport materials, equipment, and employees from inconvenient distances. In combination with the other two designated Airport construction staging/support sites, the addition of the former FMC property would help provide sufficient support space for implementation of Airport Master Plan projects.

### **Interim Relocation of Airport Rental Car Facilities**

On-Airport rental car facilities currently consist of the interim ready/return parking and customer service lot on the east side of the Guadalupe River, plus several small vehicle service and storage lots adjacent to the airfield at the north end of Airport Boulevard. The nine rental car companies that operate at the Airport also maintain off-Airport sites for additional vehicle storage and servicing. Under the Airport Master Plan, future rental car facilities would be expanded and consolidated into one high-rise garage and service facility adjacent to the future Central Terminal, accommodating up to 2,000 ready/return parking spaces and 8,000 storage spaces.

With the availability to lease the former FMC property, the Airport proposes to relocate all the existing on-Airport rental car operations until completion of the Master Plan rental car facility project. The preferred site for the interim relocation would be the bulk of the middle of the proposed 52-acre Airport leasehold, most of which is already paved and accessed from the driveway at the signalized intersection of Coleman/Aviation avenues. The existing shuttle bus system for rental car customers would be maintained. The Airport would conduct most of the basic site preparation, and the rental car companies would design and develop their individual interim facilities under their Airport concession agreements and subject to City development review permits.

Although more distant from the Airport terminal area, the former FMC property would provide rental car companies with a single larger site (approximately 27 acres vs. the existing non-contiguous 18 acres on-Airport) and, more importantly, the opportunity to better consolidate ready/return, servicing, and storage operations, thus reducing the inefficient shuttling of vehicles between and among the various non-contiguous lots. In turn, the relocation would not only reduce vehicle traffic in the terminal area, but would also have the significant benefit to the Airport Master Plan implementation program of allowing the existing rental car ready/return lot, when vacated, to be made available for interim relocation of the Terminal C public parking lot when that lot needs to be displaced by Central Terminal garage and roadway construction. The existing rental car ready/return lot can be easily converted back to a 1,600-space public parking lot (as it was prior to 2000) and, although requiring shuttle bus service to and from the terminals, would provide more capacity than the existing 900-space Terminal C lot. The existing small rental car vehicle servicing and storage lots, when vacated, would provide additional interim sites for temporary construction-related support or for commercial ground transportation vehicle staging.

Also, since the proposed lease of the former FMC property would include an option to purchase the property from the Financing Authority, future consideration could be given to retaining the interim site for longer term or more permanent rental car facilities in conjunction with potential down-sizing of the proposed multi-story Airport consolidated rental car garage. However, such a change to the Airport Master Plan development program, if and when recommended, would be presented to Council as the subject of a subsequent amendment to the Airport Master Plan.



### **Interim Relocation of Airport Employee Parking**

Airport employee parking is currently located in the interim parking lot on the northwest side of the Airport shared with public long-term parking. Some additional employee parking is currently provided off-Airport through agreements between Airport tenants and private parking lot operators. The west side lot (accommodating approximately 1,100 employee spaces and 4,100 public spaces) is close to full utilization, thus constraining the Airport's ability to serve anticipated employee and public parking demand until completion of the Master Plan's new garages in the terminal area. Under the Airport Master Plan, as previously amended, employee parking would ultimately be located primarily in the existing 2,200-space Terminal A Garage after the public parking in that garage is relocated to the new Central Terminal garage. Public long-term parking would ultimately be located in a new garage (accommodating up to 8,700 spaces) at the existing rental car ready/return lot, subsequently allowing the existing west side lot to be converted to cargo airline use.

The preferred site for the interim relocation of employee parking at the former FMC property would be approximately 15 acres in the northern portion of the proposed 52-acre Airport leasehold, much of which is already paved and also accessed from the driveway at the signalized Coleman/Aviation avenue intersection. The existing employee parking shuttle bus system would be maintained. The site would allow the Airport to increase its employee parking capacity to approximately 1,500 spaces.

The proposed interim relocation of employee parking would also benefit the Airport by allowing the existing west side parking lot, with some minor reconfiguration, to be totally utilized for interim public long-term parking (approximately 5,600 spaces), thus better accommodating some of the anticipated growth in passenger demand until the Master Plan's public long-term parking garage is constructed.

### **Optional Non-Aviation Use Sublease**

A portion of the former FMC property is currently leased by United Defense, a military research and development contractor occupying the property immediately to the north of the site on Brokaw Road in Santa Clara. As United Defense has indicated an interest in retaining use of the site for continued military vehicle testing purposes, even if on a much smaller area than currently allowed, the Airport is tentatively reserving approximately two acres along the rear of the site (adjacent to the Union Pacific Railroad property) as a potential subleasehold. If United Defense declines the subleasehold opportunity, the acreage would be added to the proposed interim rental car and employee parking facilities.

### **Conclusion**

The Airport's proposed interim reuse of FMC property would facilitate the implementation of Airport Master Plan development projects. At the same time, the interim productive use of the largely vacant, underutilized FMC property by the City would not preclude the site's ultimate redevelopment as currently permitted under its Planned Development Zoning. Further, as

HONORABLE MAYOR AND CITY COUNCIL

11/8/04

**Subject: Airport Master Plan Minor Amendment/Interim Reuse of 52-Acre Site on Coleman Ave.**

Page 5

analyzed in the associated Airport Master Plan EIR addendum (a copy of which is attached to the separate staff report on the proposed Airport Master Plan amendment to increase the maximum size of the Central Terminal building), the interim Airport facilities would not generate any significant environmental impacts not already identified and addressed in the EIR and would have no affect on the existing Master Plan's projected design capacity, activity levels, or noise impact boundaries. Thus, pursuant to the provisions of the Municipal Code, the proposed lease and interim re-use of former FMC property can be incorporated into the Airport Master Plan through approval of a Minor Amendment.

### **PUBLIC OUTREACH**

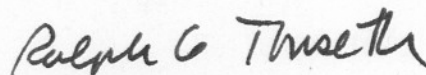
Discussion of the potential Airport lease and interim reuse of former FMC property occurred during Council consideration of actions authorizing and financing the acquisition of the full 75-acre FMC property on May 18, 2004, and August 24, 2004. At its public meeting of November 1, 2004, the Airport Commission unanimously supported the proposed Master Plan Amendment.

### **COORDINATION**

This proposed Minor Amendment to the Airport Master Plan has been coordinated with the City Attorney's Office, Office of Economic Development, Public Works Department, and Department of Planning, Building, & Code Enforcement.

### **CEQA**

Resolution Nos. 67380 and 71451, PP04-305.



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Director of Aviation  
Airport Department

Attachment

RGT:CG